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MHFA

1998

QUALITY HOUSING FOR TODAY AND TOMORROW

MHFA Policy Against Discrimination

MHFA Policy of Non-Discrimination

The Massachusetts Housing Finance Agency does not discriminate on the basis of race, color, religion, sex, national origin, ancestry, sexual orientation, age, familial status or physical or mental disability in the access or admission to its programs or employment, or in its activities, functions, or services. The following persons are responsible for coordinating compliance with applicable non-discrimination requirements:

Wilson Henderson
Equal Opportunity Director

Ann Anderson
504/ADA Coordinator

Deb Sullivan
504/ADA Employment Coordinator

Wendy Warring
General Counsel

FYI: Alternate Formats

This brochure also is available in alternate formats such as large print or audio cassette. Such formats can be provided if necessary upon sufficient notice by contacting:

MHFA's Public Information Department
TEL (617) 854-1841
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TDD (617) 854-1025

1997 IN REVIEW

Affordable Homeownership

More than $116 million in mortgage loan financing helped 1,794 families achieve the dream of homeownership. Downpayment options of 3% or 5% and favorable underwriting terms make it easier for low- and moderate-income families to become owners.

MHFA launched two new programs. The Homeowner Septic Repair Loan Program helps ease the burden that owners face with failed septic systems. The Construction Loan Program creates new affordable homes for low- and moderate-income families.

Developing Affordable Rental Housing

MHFA financed the creation of hundreds of new units in assisted living developments for frail elders, an example of MHFA's active participation in developing housing for niche markets.

New Tax Credit Equity Bridge Loans provide "one-stop" mortgage and equity financing for developers of mixed-income housing and enhances MHFA's competitiveness in the marketplace.

Preserving Affordable Rental Housing

MHFA's Friendly Prepayment Program received national recognition with the presentation by NCSHA of the 1997 Award for Program Excellence. The program provides an alternative for owners of older "expiring use" rental properties to refinance their developments rather than pre-pay their mortgages and convert to market-rate units.

Comprehensive analysis completed on MHFA's SHARP rental housing portfolio and negotiations with owners have begun on long-term work-out strategies tailored to each property's unique characteristics and economics to assure financial stability.

Special Initiatives

The Demonstration Disposition Program moved forward with the award of the first six construction contracts by MHFA. The program will see 2,200 units of HUD-foreclosed housing in Boston renovated or rebuilt with ownership ultimately transferred to residents or resident-selected owners.

MHFA was approved to participate in HUD's Multifamily Portfolio Reengineering Demonstration, designed to reduce Section 8 subsidy costs while preserving the availability of affordable housing. MHFA is only the second HFA awarded this designation.

MHFA's award-winning Youth Resident Activities Program is now active in more than 50 MHFA-financed developments throughout the state. The program, which received $400,000 in the latest round of funding from MHFA, provides young people living in MHFA-financed rental housing with constructive educational, employment and recreational opportunities.

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ABOUT MHFA

THE MASSACHUSETTS HOUSING FINANCE AGENCY

MHFA offers a variety of financial resources to promote decent, safe and affordable housing throughout the Commonwealth. Since its creation in 1966, MHFA's programs have helped tens of thousands of low- and moderate-income people buy their first home or rent affordable apartments. MHFA's programs also enable lenders to increase their investment in affordable mortgage and bond programs and developers to maximize new business opportunities in niche market areas. MHFA's commitment to challenge traditional lending practices combines innovation with sound business practices; a philosophy that reinforces the Agency's position as the leader in affordable housing finance in Massachusetts.

From MHFA's Chairman & Executive Director

MHFA has implemented a top-to-bottom reorganization, which aligns the Agency along three primary business areas: the development of new mixed-income rental housing, oversight for existing subsidized rental properties and homeownership lending activities. Restructuring our operations to better support these areas strengthens and improves the Agency's ability to meet Massachusetts' affordable housing needs and directly translates into better service for our customers. MHFA is prepared to substantially increase affordable housing opportunities in a new era of housing finance where resources are scarce and the need for innovation and flexibility is high. And as a lender created specifically to serve a public purpose, MHFA will continue to preserve its existing portfolio without cutting corners on quality or displacing current low-income residents. MHFA is setting the pace for the affordable housing finance industry through better service, faster and more creative credit decisions and quality asset oversight, while continuing to serve as a vital and active lending resource for Massachusetts residents.

Michael J. Dirrane
Chairman

Steven D. Pierce
Executive Director

Making Homeownership Affordable

While homeownership rates in America are reaching all-time highs, many people find they are unable to buy their first home without assistance. MHFA's homeownership programs are designed to help low- and moderate-income families who might face difficulties obtaining a mortgage through conventional financing.

Qualified buyers who are income eligible can apply for an MHFA mortgage through a network of lenders which covers every city and town in the state. All homes purchased with MHFA funds – whether they are single family houses, 2-4 unit properties or condominiums – must fall within federally established price limits and be owner-occupied.

MHFA's programs do more than just help new buyers. They also promote successful ownership for the long term. MHFA's in-house customer service center provides personalized assistance tailored to the unique needs of the low- and moderate-income borrower. Our foreclosure prevention program offers one-on-one counseling and work-out options. Financing also is available to make capital repairs or improvements to protect a family's most valuable asset: its home.

First-time Buyer Programs

General Lending Program provides below market-rate financing to borrowers meeting MHFA's general eligibility guidelines.

Homebuyer Counseling educates buyers on the homeownership process through workshops provided by certified organizations throughout the state.

Home Improvement Programs

Septic Repair Loan Program makes below market-rate mortgages to owners who need to comply with the state's Title V requirements.

Get the Lead Out provides lead abatement financing to homeowners, investor-owners and non-profit organizations throughout the state.

New Construction Financing

Construction Loan Program provides affordable construction financing to small-scale builders of residential units priced to sell within MHFA acquisition limits.

Benefits of MHFA Financing

- Reduced interest rates
- Downpayments as low as 3% and 5%
- Favorable underwriting guidelines
- Rehabilitation financing options
- Access to MHFA mortgage insurance products
- Opportunities for homeownership counseling
- 0, 1 and 2 points options available

Consumer Hotline
(617) 854-1020

FACTS & FIGURES

MHFA mortgages are distributed through participating lenders to low- and moderate-income borrowers who are creditworthy, meet MHFA income guidelines and who are buying a home within established price guidelines. To date, MHFA has provided $2.24 billion in mortgages, which has assisted 33,437 households to buy their first home. More than $37.5 million in financing through MHFA's specialized home improvement programs has also enabled 3,459 owners to make needed repairs, increase accessibility, correct code violations or improve energy efficiency. A list of participating lenders can be obtained by calling MHFA's Consumer Hotline.

MHFA Borrower Profile

Average Purchase Price **$99,905**

Downpayments of 5% or Less **57%**

Median Income **$36,130**

Elizabeth and Salvatore Savinelli were able to comply with the state's Title V requirements thanks to MHFA's Septic Repair Loan Program.

Cynthia Strother safeguarded the health of her grandchild with assistance from MHFA's Get the Lead Out Program.

Kelly and Abraham Rivera relax with their children, Abraham, Jr. and Kisha, in their new home following completion of a homebuyer counseling workshop offered through Hampden-Hampshire Housing Partnership in Springfield.

Tudor Commons in South Boston is one of the latest developments financed through MHFA's Construction Loan Program, an effort which is bringing new ownership opportunities to first-time buyers.

SINGLE FAMILY

Strategy for the Future

Implemented last year, MHFA's Strategic Plan maps the course for MHFA to aggressively compete in the affordable housing arena. For MHFA's Single Family Business, key elements of the plan focus on:

- Increasing the amount of money available to qualified borrowers
- Identifying new partners to deliver competitively priced products in today's lending market
- Reducing paperwork for customers and standardizing programs for faster approvals
- Developing new products for niche market areas and underserved consumers, such as residents of urban areas, owners of 2-4 unit homes and minorities

MHFA Investment at Work

MHFA Total Investment to Date

- $5.55 billion
- 36,896 families helped to purchase/repair homes with $2.28 billion in MHFA financing. More than $26.7 million in construction financing loaned for the development of new single family homes
- 70,473 mixed-income units in 590 developments created with $3.24 billion in MHFA permanent and construction financing

Regional Breakout of MHFA Investment

Region	Rental Loans	# of Properties	# of Units	Home Mortgages	# of Loans	Total
City of Boston	$ 943,673,795	163	18,087	$ 285,481,965	4,231	$1,229,155,76
Greater Boston	$1,011,151,662	184	21,584	$ 625,497,600	9,366	$1,636,649,26
Northern	$ 292,990,210	40	5,402	$ 305,356,595	4,990	$ 598,346,80
Southeastern	$ 365,578,460	85	9,508	$ 416,189,834	6,733	$ 781,768,29
Central	$ 316,657,245	46	7,085	$ 246,922,114	4,186	$ 563,579,35
Western	$ 315,481,028	72	8,807	$ 399,618,195	7,390	$ 715,099,22

STATEWIDE

Economic Impact

Figures based on data collected from audits of MHFA permanently financed rental developments.

By the close of 1997, MHFA's investment in affordable housing in the state topped $5.55 billion and generated:

- $279 million in operating revenues annually by MHFA permanently financed developments;
- $31.3 million in local real estate taxes and $10.8 in state and federal taxes annually.

By Community

MHFA-financed rental developments are located in hundreds of urban, suburban and rural communities across the state and breakdown as follows:

urban:
67.25%

suburban:
22.76%

rural:
9.99%

MHFA Lending Activity

The following developments received permanent or construction loan financing through MHFA in 1997:

ACADEMY HOMES I Boston
$7.6 million in permanent and construction loans for the rehabilitation of this 202-unit development. The project is being developed by Urban Edge Housing Corporation and the Academy Homes Tenants Council.

AEI GROUP HOMES II Abington, Hanover, Scituate
$1.26 million in construction financing for three separate homes to Attleboro Enterprises, Inc., through the MHFA Options for Independence Program.

AVALON OAKS Wilmington
$17.8 million in new permanent financing to Avalon Properties, Inc., through MHFA's 80/20 program for the development of 204 units of newly constructed housing.

THE BASILICA Charlestown Navy Yard
$11.6 million in financing through MHFA's Single Family Construction Loan Program to the Franklin Realty Company of North Reading for the purchase and rehabilitation of a 92-unit condominium development.

BRAYTON HILL North Adams
MHFA acted as the catalyst to produce $1.2 million in new investment through the federal Low Income Housing Tax Credit program. The investment by Related Capital Corp. was used to revitalize this 100-unit development. MHFA also assisted in obtaining $200,000 of HUD Flexible Subsidy funds, which was part of an $800,000 project repair program.

CHATHAM WEST I Brockton
$1.7 million in MHFA energy conversion financing to Beacon Residential Management Company for this 300-unit development.

HERITAGE AT DANVERS Danvers
$8.9 million to National Development of New England/ADS Senior Housing, Inc., for the permanent financing of 80 units of assisted living housing through the MHFA Elder CHOICE program.

INDIAN MOTOCYCLE Springfield
MHFA assisted in the stabilization of this foreclosed 139-unit SHARP development by organizing a new ownership structure that produced $1.4 million in equity investment through the federal Low Income Housing Tax Credit program.

MAPLEWOOD PLACE Malden
$9.9 million to The Newton Group, LLC, for the renovation of the former Marcia P. Brown Junior High School into 98 units of assisted living housing. The renovations were funded through the MHFA Elder CHOICE program.

808 MEMORIAL DRIVE Cambridge
MHFA provided $4.6 million in mortgage increases to help fund $10 million in repairs. MHFA also assisted Homeowners Rehab Inc. to negotiate a sales price reduction of $1 million and to produce a competitive $7 million equity investment in this 301-unit development.

NEW PORT ANTONIO APARTMENTS Boston
$5.4 million to Long Bay Management Company for the renovation of this 227-unit scattered-site development.

PALMER GREEN DEVELOPMENT Palmer
$800,000 MHFA energy conservation loan to Beacon Residential Management Company for this 156-unit development.

PARKER HILL APARTMENTS Boston
$5.3 million in financing to the Iroquois Street Limited Partnership for the acquisition and rehabilitation of a 92-unit development through MHFA's 80/20 Program.

PERRY STREET Lowell
MHFA negotiated a recapitalization transaction that resulted in a $1 million equity investment through the federal Low Income Housing Tax Credit program.

PINE ESTATES I Brockton
$2.2 million MHFA energy conversion loan to Beacon Residential Management Company for this 289-unit development.

ROCKINGHAM GLEN Boston
Affordable housing at the 143-unit development was preserved with a $2.8 million replacement loan to the Rockingham Glen Limited Partnership through the MHFA Friendly Prepayment program. An additional $1.9 million was obtained through the Agency's Bridge Loan program to fund capital improvements.

WESTWOOD GLEN Westwood
Affordable housing at the 156-unit elderly development was preserved with a $1.9 million replacement loan to the Westwood Glen Limited Partnership through the MHFA Friendly Prepayment program. An additional $2.5 million was obtained through the Agency's Bridge Loan program to fund capital improvements.

TUDOR COMMONS South Boston
$2 million in financing to the Tudor Commons Realty Trust through the MHFA Single Family Construction Loan Program for 22 tri-level condominiums. This was the first new construction of affordable housing in South Boston in almost a decade.

THE UNION AT FALL RIVER Fall River
$4.5 million to the Farmington Limited Partnership for the renovation of an existing hotel into 88 units of assisted living through the MHFA Elder CHOICE program.

WHITEHALL ESTATES Hyannis
$7.4 million to Parkside Senior Services, LLC for the new construction of 80 units of assisted living through the MHFA Elder CHOICE program.

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FAX (617) 854-1028

Office of Multifamily Asset Management
TEL (617) 854-1145
FAX (617) 854-1027

West Springfield Office
TEL (413) 733-0999
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